

February 16, 2017

**TESTIMONY SUBMITTED TO THE APPROPRIATIONS COMMITTEE
CONCERNING THE GOVERNOR'S PROPOSED BUDGET**

Senators Osten and Formica, Representative Walker and Members of the Appropriations Committee, thank you for the opportunity to submit this testimony.

I am Judith Stein, founder and Executive Director of the Center for Medicare Advocacy (the Center). The Center is a non-profit, nonpartisan law organization that works to advance access to Medicare and quality health care for older and disabled people. Since 1988 the Center has worked with the Department of Social Services to help ensure that Medicaid is the payer of last resort for people who are dually eligible for Medicare and Medicaid. Appeals brought by the Center through this partnership have resulted in recovering over \$255 million to the State.

The Center also provides legal assistance for Connecticut's older and disabled residents and their families, education and technical support for the CHOICES program, as well as federal policy analysis and litigation on behalf of all Medicare beneficiaries.

The Center for Medicare Advocacy submits this testimony to oppose proposed cuts for prescription medications for people who rely on Medicare Part D and to the Medicare Savings Program. We also voice support for the Governor's proposal not to further reduce Department of Social Service staffing.

Opposition to Proposal to Remove Cap on Medicare Part D Co-Payments for Low-Income Dually Eligible (Medicare and Medicaid) Enrollees (Section 12 of HB 7040)

The Center opposes the proposed budget cut that would eliminate the protection against high co-pays for prescription drugs for low-income dually eligible Medicare/Medicaid individuals. Unlike other Title 19 enrollees, these individuals have no choice but to receive their prescription drugs through Medicare Part D, not Medicaid.

Until July, 2014, Connecticut covered Part D copayments above \$15 per month. This limit was cut in order to save an estimated \$90,000 per year. Lifting the co-pay cap did not create significant savings for the state, but it did create significant problems and barriers to necessary medication for individuals in need. Some very low income elders and people with disabilities went without prescribed medicines because they could not afford the cost-sharing. Indeed, as a result, the protective cap was reinstated, at \$17 per month, just last year.

Removing the monthly co-pay cap will mean people with very low incomes, often below \$861 per month will simply go without necessary medicines. This will surely lead to many of them turning to emergency rooms and requiring other, far more expensive health care. Clearly, the

State has determined, more than once, that the co-pay cap is important for our most vulnerable older and disabled residents, and that the minimal cost-savings (\$80-90,000/year) does not warrant reinstating the co-pay requirement. The monthly co-pay cap should not be rescinded.

Opposition to Proposal to Decrease Income Eligibility for Medicare Savings Programs (Section 10 of HB 7040)

The Center is extremely concerned about the budget proposal that would increase eligibility standards for the Medicare Savings Program (MSP). MSP is one of the most valuable safety net programs for older adults and people with disabilities. It pays all or some of the Medicare cost-sharing for low-income people who do not qualify for full Medicaid coverage. Under the proposed cut, many lower income people would not be able to pay their Medicare cost sharing, making Medicare Part B and the physician care and other services it covers unaffordable.

Furthermore, enrollment in the major Medicare Savings Program, known as the Qualified Medicare Beneficiary (QMB) program, also qualifies an individual for a federal subsidy to help cover the costs of prescription drugs under Medicare Part D. Thus this budget proposal would also result in more low-income people facing barriers to obtaining needed medicines as well as health care.

By way of example, the chart below demonstrates the impact this budget proposal would have on an older, low-income Connecticut resident.

Mr. L, Age 68, Income of \$2,000 per Month Currently Enrolled in the QMB Medicare Savings Program

	Current Costs	Costs with Proposed Cuts
	Monthly Costs <u>With</u> QMB	Monthly Costs <u>Without</u> QMB
Part B Premium	\$0.00	\$134.00
Part D premium	\$8.30	\$43.10
Part D Co-Pays - 5 meds	\$26.40	\$393.00
Totals	\$34.70	\$570.10
	<u>Other Costs</u>	
Part D Annual Deductible	\$0.00	\$400.00
Part A Deductible	\$0.00	\$1,316.00
Part B Deductible	\$0.00	\$183.00
Part B Cost-sharing	\$0.00	20% of all services

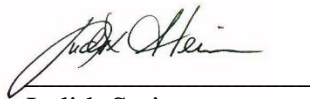
How will Mr. L, who has Diabetes and other co-morbidities, afford his medications and out-of-pocket health care costs on a monthly income of \$2,000? If he can't afford to see his doctor and can't afford his medications, what are the implications for him, his family and the health system?

Support for Proposal to Continue Department of Social Services Staffing Levels

The Department of Social Services is currently managing under significant staffing limitations. Its wide-ranging responsibilities to serve vulnerable Connecticut residents as effectively and efficiently as possible are challenged as a result. It would jeopardize the needs of state residents and providers to further reduce staff. Instead, staff vacancies should be filled and staffing levels increased as soon as viable.

Conclusion

The Center for Medicare Advocacy urges the legislature to reject the proposed cuts discussed above and ensure reasonable staffing levels at the Department of Social Services. Thank you for the opportunity to submit this testimony.

A handwritten signature in black ink, appearing to read "Judith Stein", is written over a horizontal line.

Judith Stein
Executive Director / Attorney
Center for Medicare Advocacy